

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of the Audit of Cricket)
Communications, Inc. by the Kansas)
Universal Service Fund (KUSF) Administrator) Docket No. 13-CRCZ-712-KSF
Pursuant to K.S.A. 2012 Supp. 66-2010(b))
for KUSF Operating Year 16, Fiscal Year)
March 2012-February 2013.)

**PROPOSAL OF CRICKET COMMUNICATIONS, INC.
CONCERNING CUSTOMER BILLING INFORMATION NOTIFICATION**

COMES NOW Cricket Communications, Inc. ("Cricket"), and submits its proposal concerning customer billing information notification, pursuant to the Kansas Corporation Commission's ("Commission") *Order On Petition for Reconsideration* ("*Order on Reconsideration*") dated August 21, 2014 in the above captioned proceeding. For its proposal, Cricket shows the Commission as follows:

BACKGROUND

1. On May 31, 2013, the Commission issued its *Order to Kansas Universal Service Fund Administrator to Commence Audit of Cricket Communications, Inc. and Order Setting Procedural Schedule* [hereinafter the "*Audit Order*"] in the above captioned proceeding directing the KUSF Administrator to include Cricket in the companies selected for KUSF Operating Year 16 carrier audits. The auditor was directed to file its audit report and recommendations no later than June 30, 2014, with Cricket to file its response, if any, no later than 13 days from the date on which the audit report is filed with the Commission. *Audit Order* at ¶ 8.

2. On April 17, 2014, the Kansas Universal Service Fund Audit Report on Cricket (hereinafter the "*Audit Report*") was filed with the Commission by the auditor. The Audit Report included one "other KUSF-related issue" for Commission consideration. Specifically, the *Audit Report* noted that Cricket identifies both the KUSF and FUSF surcharges on a customer's bill as "Universal Service Fund Surcharge" but does not clearly identify whether the charge is Kansas or the Federal jurisdiction. The audit report suggested that Cricket be made to clearly identify the KUSF surcharge to comply with the Federal Truth-in-Billing requirements. *Audit Report* at pp. 3-4.

3. On May 19, 2014, Cricket filed its Response to the *Audit Report* and set forth the basis on which it disagreed with the *Audit Report* suggestion that Cricket does not currently comply with the Federal Truth-in-Billing and CTIA Consumer Code requirements.

4. On May 29, 2014, the KUSF auditor filed its Reply to Cricket's response and addressed the issue concerning the identification of the KUSF surcharge and the Truth-in-Billing requirements. The auditor's reply noted that the issue was "not a direct Audit Finding" and that it "***was not a clear cut violation*** of the Truth-In-Billing requirements."¹

5. On July 3, 2014, the Commission issued its *Order On KUSF Audit Report and Recommendations* (hereafter the "*Audit Report Order*"), accepting and adopting the *Audit Report* and finding that Cricket must bring its billings into compliance with the FCC Truth-In-Billing requirements.

¹ GWNW's Reply to Cricket Communications, Inc.'s Response to Kansas Universal Service Fund Audit Report, Docket No. 13-CRCZ-712-KSF, filed May 29, 2014 at ¶16. (Emphasis added).

6. On July 21, 2014, Cricket filed its Petition for Reconsideration (“PFR”) of that portion of the *Audit Report Order* that concluded Cricket needed to come into compliance in its billing with the FCC Truth-In-Billing requirements concerning how its consumer bills identify separate charges for state and federal universal service funds. As part of its PFR, Cricket reminded the Commission that in March 2014, AT&T Inc. completed its acquisition of Cricket and, as a result, the Cricket billing system that was the subject of the *Audit Report* suggestion is being phased out over an 18-month period and customers migrated to a new billing system. Further, Cricket’s records indicate that only 402 Kansas consumers currently receive billings identifying the state and federal USF surcharges in the manner discussed by the *Audit Report* and *Audit Report Order*. Rather than being required to make any costly billing system changes to the system that is being phased out and affects only 402 Kansas consumers, Cricket requested the Commission allow it to provide a “plain language description” of the USF surcharge notations at issue to those 402 consumers via bill insert and/or text messages. Cricket further proposed making a compliance filing providing the Commission with details of the information given to the affected consumers and when it was provided.

7. On July 24, 2014, the Commission Staff filed its response to Cricket’s PFR and, while it disagreed with Cricket’s position on the issue presented, recommended the Commission allow Cricket to file a more detailed alternative proposal for providing the 402 Kansas customers identified with the customer billing information the KUSF auditor and Commission deemed necessary.

8. On August 21, 2014, the Commission issued its *Order on Reconsideration* and concluded that Cricket’s alternative proposal would “constitute a reasonable and

fair resolution of the remaining customer billing information issue.” *Order on Reconsideration* at ¶15. The Commission directed Cricket to file a detailed proposal for the customer notification within 15 days of the Order.

CRICKET’S PROPOSAL

9. Cricket proposes to provide the following information/message via text message to each of the 402 Kansas consumers identified as currently receiving paper bills. Text messages to non-smart phones are limited to 150 characters.

Cricket Reminder - On your bill the Universal Service Fund Surcharge (WN) is the Federal USF & the Universal Service Fund Surcharge (WS) is the Kansas USF

The text message will be delivered at no cost to the Cricket customer and will not count against their wireless plan in any way.

10. The Cricket customers at issue each fall within one of 28 possible billing cycles, because of that it is impossible for Cricket to text individual consumers when their specific bill is issued. Cricket has determined that approximately 45-50% of the identified consumers fall within the first seven billing cycles. Accordingly, Cricket proposes to mass text all 402 consumers in conjunction with bills being issued in the fourth billing cycle in order to reach the maximum number of customers as close to their bill issuance date as possible. The texts will continue to be issued in conjunction with the fourth billing cycle to each of the identified consumers until they are migrated to the new billing system previously discussed. The billing system migration began in May, 2014 and should be completed no later than November, 2015.

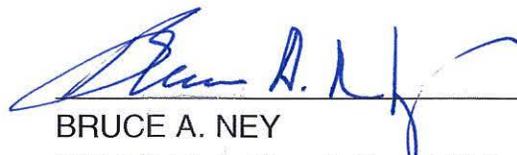
11. Cricket is no longer proposing the use of bill inserts/messages for this specific group of consumers for several reasons. The consumer bills at issue are

produced for Cricket by a third-party billing vendor and are not produced internally by Cricket or an AT&T-affiliated company. Any bill insert /message for the group of customers at issue would require the negotiation of a contractual amendment and pricing with the billing vendor that would prolong and delay efforts to disseminate the information the KUSF auditor and the Commission has previously deemed necessary. Logistically tracking and inserting information in 402 consumer bills out of thousands over 28 possible billing cycles would also prove to be an unduly cumbersome, burdensome and expensive task.

12. Upon completion of the migration of the Kansas customers affected by this issue to a new billing system and the cessation of the proposed text messaging, Cricket will make a compliance filing documenting compliance with this proposal.

WHEREFORE, Cricket respectfully requests the Commission consider and approve the proposal as put forth.

Respectfully submitted,



BRUCE A. NEY (#15554)

220 SE Sixth Street, Room 515

Topeka, Kansas 66603-3596

(785) 276-8413

(785) 276-1948 (facsimile)

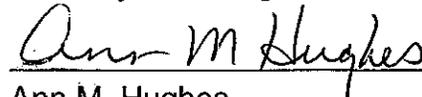
bruce.ney@att.com

Attorney for Cricket Communications, Inc.

VERIFICATION

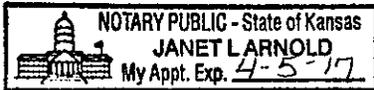
STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

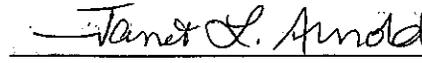
I, Ann M. Hughes, of lawful age, and being first duly sworn, now state: I am Director – Regulatory, and have read the Proposal of Cricket Communications, Inc. Concerning Customer Billing Information Notification, and verify the statements contained herein to be true and correct to the best of my knowledge and belief.



Ann M. Hughes

Subscribed and sworn to before me this 5th day of September, 2014.





Notary Public

My Appointment Expires: April 5, 2017

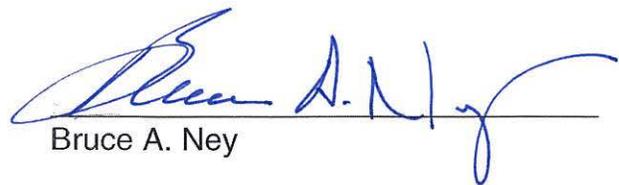
CERTIFICATE OF SERVICE

I hereby certify that a correct copy of the Proposal of Cricket Communications, Inc. Concerning Customer Billing Information Notification was sent via electronic mail on this 5th day of September, 2014 to:

Robert Fox
Senior Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027
b.fox@kcc.ks.gov

Brian Fedotin
Advisory Staff
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027
b.fedotin@kcc.ks.gov

Otto Newton
Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027
o.newton@kcc.ks.gov



Bruce A. Ney